



Investor Presentation
February 2022



Our Technology

Sample Preparation Technology

Mining and Manufacturing



Minerals:
Iron ore
Gold
Nickel
Copper
Aluminium
Bauxite
Manganese
Uranium
Lithium
Mineral sands
Commercial labs

Materials:
Cement
Steel
Glass
Ceramics
Research
Education

Raw
Samples



Prepared
Samples

Chemical Analysis



Analysis Techniques:
XRF
ICP
Fire Assay*
Photon Assay*

**New exposure added via 50% Orbis Mining acquisition*

Lab Products

Sample Preparation Products

X-Ray Flux

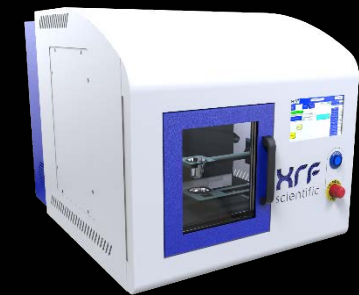


Platinum Labware



Recycling service of turning used platinum products into new items

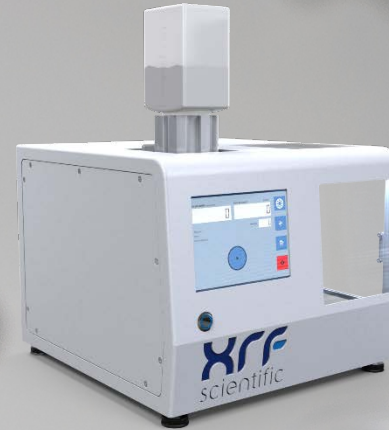
Fusion Machines



Lab Products

Analytical Tools and Accessories

Weighing Instruments



Platinum Electrodes

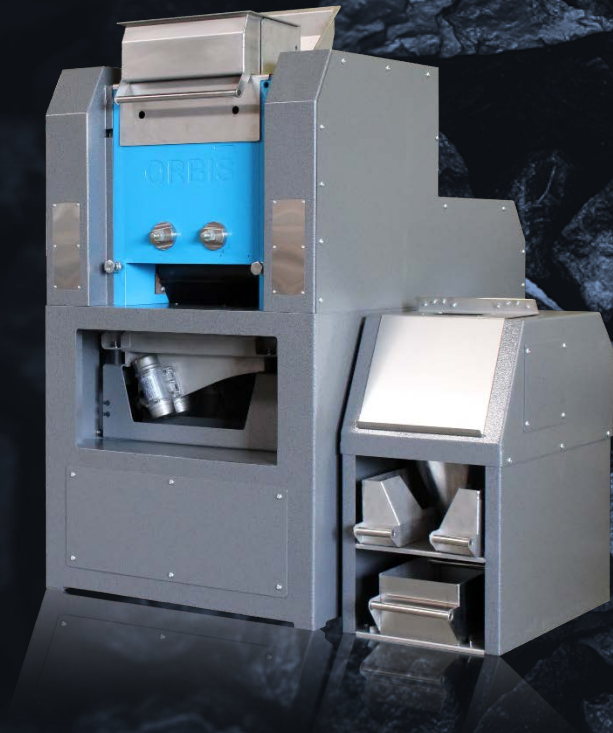


Drift Monitors



Lab Products

Orbis Mining Pty Ltd 50% Acquisition



Laboratory Jaw
Crushers



Smart Splitting
Crushing Systems

Laboratory Products Flowchart



**Processing step performed with products from other companies*

Platinum Products

Precision Products for Industry



Aerospace
Components



Glass Production
Bushings



Crystal Growing
Vessels



Measurement
Instrument
Components



Chemical
Production
Vessels



Laboratory
Components



Research and
Development



Niche Applications /
Custom Designs

FY22 H1 Highlights

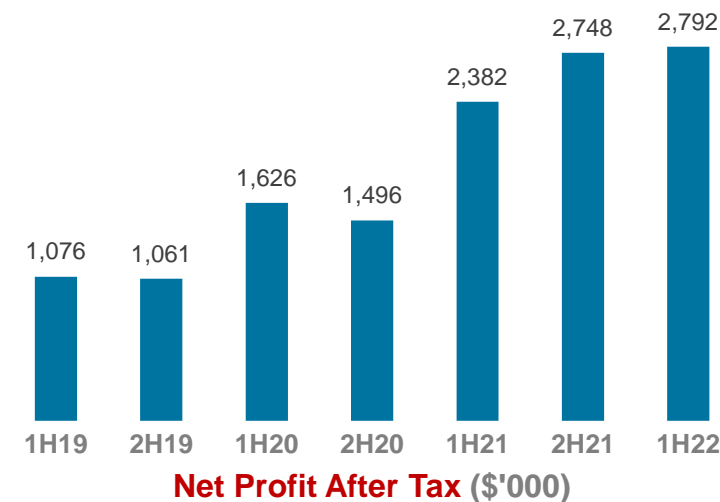
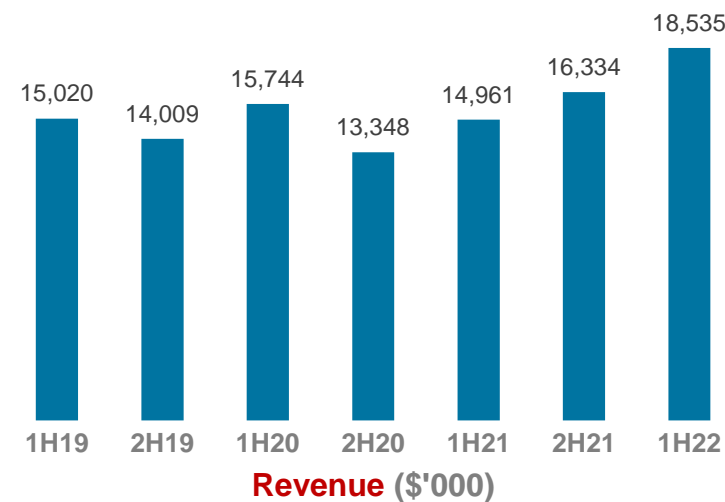


- Record half-year revenue and profit
- Record quarterly profit before tax of \$2.1m during December Q2
- Very strong demand from mining and industrial customers
- Strong demand for capital equipment products, currently at record order levels
- Completion of 50% acquisition in Orbis Mining Pty Ltd
- Continued R&D investment in new products across all divisions

FY22 H1 Financial Highlights



- Revenue up 24% to \$18.5m vs 1H21
- NPAT up 17% to \$2.8m vs 1H21
- Adjusted PBT up 56% to \$3.7m vs 1H21
- \$1.8m positive operating cashflow
- Orbis Mining Pty Ltd fully consolidated into XRF's accounts with minority interest reflected in profit or loss statement



Half Year Results - Overview



	Half Year Results			Full Year Results		
(\$m)	1H22	1H21	Change	2021	2020	2019
Sales revenue	18.5	15.0	24%	31.3	29.1	29.0
Profit before tax	3.7	3.1	19%	6.8	4.5	3.2
Adjusted profit before tax*	3.7	2.4	56%	5.9	4.2	3.2
Net profit after tax	2.8	2.4	17%	5.1	3.1	2.1
Earnings per share (cents)	2.1	1.8	17%	3.8	2.3	1.6
Weighted average no. of shares	134,699,698	134,133,506		134,345,542	133,825,803	133,825,803
Dividends (cents per share)	0.0	0.0		2.0	1.4	1.0
Dividend payout ratio	-	-		*60%	60%	63%
<i>*As a percentage of adjusted NPAT</i>						
<u>*Adjustments (\$)</u>						
COVID-19 wages subsidies	-	(700,281)		(826,629)	(212,729)	-
COVID-19 other grants/subsidies	-	(20,000)		(29,522)	(74,776)	-
COVID-19 payroll tax refunds	-	-		-	(82,837)	-
Interest on early loan repayment	-	-		-	22,496	-
Redundancy / other employee payments	-	-		-	97,328	-
Total adjustments	-	(720,281)		(856,151)	(250,518)	-

Balance Sheet

(\$m)	1H22	2021	Change
Cash and cash equivalents	4.6	5.3	(12%)
Trade and other receivables	4.9	4.5	9%
Inventories	13.4	12.5	7%
Other assets	0.3	0.4	(18%)
Property, plant and equipment	8.1	8.1	(1%)
PPE lease asset	1.0	0.6	66%
Intangible assets	16.9	15.9	6%
Deferred tax asset	1.0	1.1	(4%)
Total assets	50.2	48.4	4%
Trade and payables			
- platinum loan provisions	2.7	3.8	(27%)
- other items	4.0	3.0	37%
Debt (short-term)	0.2	0.8	(77%)
Debt (long-term)	1.6	0.0	100%
Current lease liabilities	0.5	0.4	27%
Non-current lease liabilities	0.5	0.2	126%
Income tax liability	0.2	0.6	(60%)
Deferred tax liability	0.7	0.5	24%
Total liabilities	10.4	9.3	12%
Total equity	39.8	39.1	2%

- Net cash position of \$2.9m
- \$0.9m of platinum on loan converted to owned inventory asset. Platinum asset remains classified as Inventories. Liability shifts from Platinum Loan Provisions to Debt
- Orbis Mining acquisition movement contributions at 1H22:
 - Trade and other receivables: \$0.1m
 - Inventories: \$1.1m
 - Intangible assets: \$0.9m
 - Trade and payables (other items): \$0.9m

Cash Flow Statements

(\$m)	1H22	2H21	1H21
Net cash inflow from operating activities	1.8	3.2	1.3
Net cash (outflow) from investing activities	(0.9)	(0.3)	(0.4)
Net cash inflow/(outflow) from financing activities	(1.5)	(0.3)	(1.9)
Cash at start of period	5.3	2.6	3.6
Net increase/(decrease) in cash	(0.7)	2.7	(1.0)
Cash at end of period	4.6	5.3	2.6

Highlights:

- \$2.1m cash paid out for FY21 dividend (1H21: \$1.65m)
- Conversion of \$0.9m in platinum on loan to owned asset resulted in \$0.9m additional outflow from operating activities and \$0.9m inflow from financing activities

Consumables

(\$m)	1H22	2H21	1H21
Sales revenue	5.2	5.1	4.2
Change in % *	2%	21%	5%
NPBT	1.7	1.6	1.3
Change in % *	8%	25%	7%
Margin %	33%	31%	30%

* Compared to immediately prior half-year period



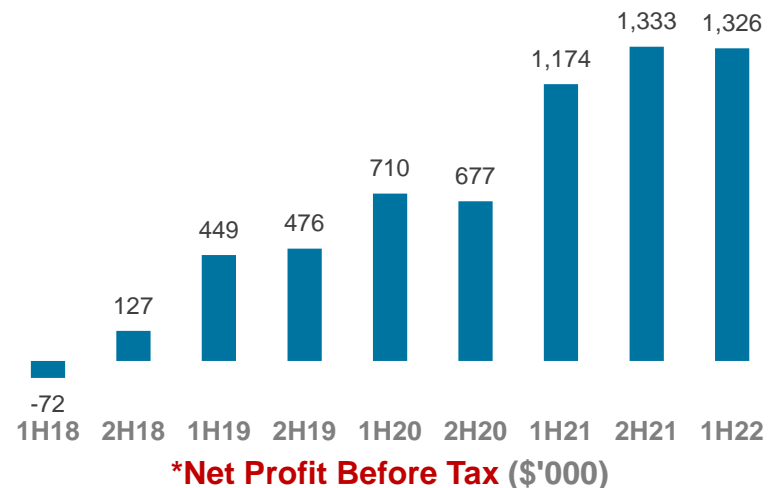
Overview for 1H22:

- Revenue up 2% on 2H21
- NPBT up 8% on 2H21
- Robust demand from the mining sector driven by production and exploration
- Key production input lithium compounds rising in price due to demand from EV sector. We expect revenue and costs to rise by a double-digit percentage, and no negative impact on margins. Impact to materialise more fully in 2H
- Inventory levels expected to rise by ~\$1.5m by 30 June 2022 as a result of lithium raw material cost increases

Precious Metals

(\$m)	1H22	2H21	1H21
Sales revenue	8.7	7.6	6.8
Change in % *	15%	11%	15%
NPBT	1.3	1.3	1.2
Change in % *	(1%)	14%	73%
Margin %	15%	18%	17%

* Compared to immediately prior half-year period



Overview for 1H22:

- Revenue up 15% on 2H21
- NPBT flat on 2H21
- Strong demand from mining and industrial markets
- Margins different this half due to revenue mix (precious metals vs fabrication sales)
- Germany office contributed revenue \$2.8m (1H21: \$1.5m) and NPBT \$233k (1H21: \$29k)
- Robust order book maintained into the 2H with margin % expected to expand

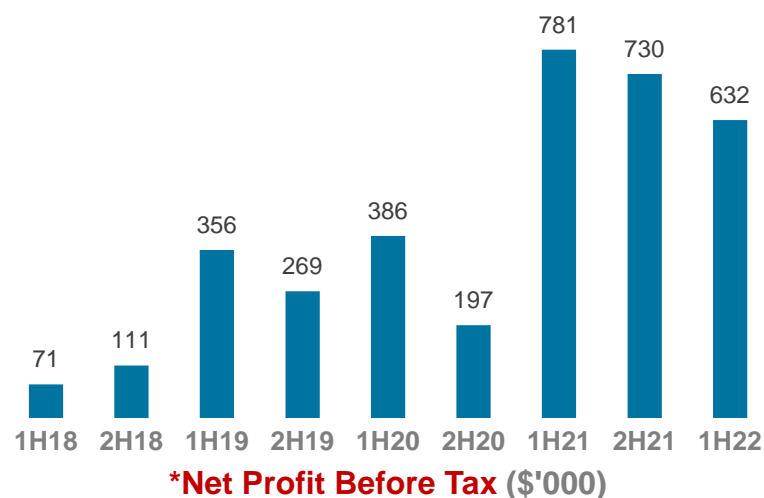
*COVID-19 wages subsidies included in NPBT:

- 1H22: Nil
- 2H21: \$41k
- 1H21: \$321k
- 2H20: \$114k

Capital Equipment

(\$m)	1H22	2H21	1H21
Sales revenue	5.1	4.6	5.0
Change in % *	10%	(8%)	33%
NPBT	0.6	0.7	0.8
Change in % *	(13%)	(6%)	297%
Margin %	13%	16%	16%

* Compared to immediately prior half-year period



Overview for 1H22:

- Revenue up 10% on 2H21
- NPBT down 13% on 2H21. Normalised \$727k NPBT before Orbis Mining loss, up 13% on 2H21 adjusted NPBT excluding COVID-19 wages subsidies
- Steady level of machine sales during 1H, continuing into 2H with record orders on hand
- 50% acquisition of Orbis Mining Pty Ltd, contributing loss of \$95k in 1H. Loss expected to reverse into profit in 2H due to sales delayed into 2H. Good forward sales momentum from large customers due to growing market reputation
- Moving towards launch of new products in 2H

*COVID-19 wages subsidies included in NPBT:

- 1H22: Nil
- 2H21: \$86k
- 1H21: \$306k
- 2H20: \$93k

Growth Strategy for FY22



- New additional focus of growing Orbis laboratory crusher sales, utilising XRF's sales network and resources
- Continuing our expansion in the Precious Metals Division
- Continue with geographical expansion initiatives
- New product releases from all divisions
- Continue to pursue M&A opportunities. Our targets are complementary manufacturing companies, in the laboratory supply or precious metals sectors
- Work to improve our scale/market cap and the share price

Corporate Overview

Shareholder Wealth

	EBIT	Earnings Per Share	Dividends Declared Per Share	Share Price	Market Capitalisation
Financial Year	\$	Cents	Cents	Cents	\$
2015/16	2,318,737	1.2	0.5	18.0	24,088,645
2016/17	982,440	0.6	0.24	17.0	22,750,387
2017/18	1,598,268	0.8	0.3	16.0	22,081,257
2018/19	3,249,762	1.6	1.0	20.0	26,765,160
2019/20	4,602,319	2.3	1.4	24.0	32,118,193
2020/21	6,818,111	3.8	2.0	47.5	63,916,519
18 February 2022				55.0	74,688,883

Directors

Fred Grimwade – Chairman
 Vance Stazzonelli – Managing Director
 David Brown – Non-Executive Director
 David Kiggins – Non-Executive Director

Shareholders

Board and Management – 14.8%
 Top 20 – 49.4%

Substantial Shareholders

Michael Karl Korber – 8.1%
 Private Portfolio Managers – 7.9%
 D & GD Brown Nominees Pty Ltd – 7.3%

Capital Structure

Ordinary shares on issue: 135,797,969
 Options: Nil

DRP

Please visit www.xrfscientific.com for a copy of the Dividend Reinvestment Plan

Locations

Head Office – Perth
 Manufacturing – Perth and Melbourne
 International Sales/Service – Brussels (Belgium), Karstein (Germany) and Montreal (Canada)

Contact Information

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